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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

10 BOB STUMP, Chairman
11 GARY PIERCE
12 BRENDA BURNS
13 ROBERT L. BURNS
SUSAN BITTER SMITH

ORIGINAL

14 IN THE MATTER OF THE APPLICATION OF
ARIZONA PUBLIC SERVICE COMPANY IN
15 CONFORMANCE WITH THE REQUIREMENTS OF
16 ARIZONA REVISED STATUTES §§ 40-360, *ET SEQ.*,
FOR A CERTIFICATE OF ENVIRONMENTAL
17 COMPATIBILITY AUTHORIZING THE TS-5 TO TS-9
500/230 KV TRANSMISSION LINE PROJECT,
18 WHICH ORIGINATES AT THE FUTURE TS-5
SUBSTATION, LOCATED IN THE WEST HALF OF
19 SECTION 29, TOWNSHIP 4 NORTH, RANGE 4 WEST
20 AND TERMINATES AT THE FUTURE TS-9
SUBSTATION, LOCATED IN SECTION 33,
21 TOWNSHIP 6 NORTH, RANGE 1 EAST, IN
22 MARICOPA COUNTY, ARIZONA.

Docket No. L-00000D-08-0330-00138

Case No. 138

SURREBUTTAL TESTIMONY OF

JAMES L. ADAMS

December 8, 2014

1 **Q. Please state your name and address.**

2 A. My name is James L. Adams. My business address is 1616 W. Adams St., Phoenix,
3 Arizona, 85007.

4 **Q. Please describe your experience and education prior to joining the Arizona**
5 **State Land Department.**

6 A. Prior to joining the Arizona State Land Department ("ASLD") in 1995, I worked as
7 an economist, manager for major property development companies, and owner of a
8 company specializing in real estate brokerage, consulting and investment. I received
9 a Bachelor's Degree in Economics from Texas A&M University.

10 **Q. In your position as Deputy State Land Commissioner and ASLD's Director of**
11 **Real Estate, what oversight have you had regarding the appraisal of interests in**
12 **ASLD's land, including rights-of-way, which ASLD intends to sell or lease?**

13 A. In my roles as Director of Real Estate and Deputy State Land Commissioner, I have
14 been responsible for overseeing the management of the Appraisal Section within the
15 Land Department. This included the processing and review with Department staff of
16 in-house as well as outside fee appraisals, the formal acceptance of those appraisals
17 on behalf of the Land Department, and the presentation of appraisals, related
18 valuation issues, and Department decisions before the State Land Department Board
19 of Appeals which approves Department sales, leases, and rights-of-way.

20 In addition, in my prior positions in real estate brokerage, consulting and
21 development, I was responsible for the processing and review of appraisals related to
22 private land.

23 **Q. In his direct testimony, Donald C. Duncan on behalf of SFI Grand Vista, LLC**
24 **testified that the "amended alignment has a new area of adjacency to the SFI**
25 **Grand Vista master plan, increasing the areas of direct proximity by**
26 **approximately 25%." What is your reaction to that testimony?**

A. Mr. Duncan does not explain his calculation, but presumably he is referring to the
additional one-quarter mile of transmission line, on State Trust Land, across a major
arterial roadway (211th Avenue) from Grand Vista under the amended alignment.

1 That "adjacency" would be added to the one mile of transmission line, on State Trust
2 Land, across a major roadway (Joy Ranch Road) from Grand Vista under either the
3 amended or approved alignment.

4 Another way to look at it is that, estimating very conservatively that Grand Vista has
5 10 miles of perimeter boundary, the percentage of Grand Vista's boundary that is
6 loosely "adjacent," meaning across a major roadway, to the certificated corridor
7 would increase from 10 percent to 12.5 percent.

8 Yet another way to look at it is that the amount of the utility line that would be
9 located on Grand Vista's property has not increased and still remains zero. By
10 contrast, the amount of this line that would be located on State Trust Land has not
11 decreased and still remains approximately 23 miles.

12 Furthermore, I would imagine that Grand Vista, like any master planned
13 development, does not treat proximity to these arterial streets as a visual amenity
14 anyway, and Grand Vista's plan already appears to include some type of buffering of
15 residential areas from all the major arterial roads surrounding the master plan.

16 **Q. John Christensen, on behalf of SFI Grand Vista, LLC testified that the
17 proposed alignment "visually impacts a major thoroughfare serving the
18 community" to a far greater extent than the approved alignment. What is your
19 reaction to that testimony?**

20 **A. 211th Avenue is not a designated scenic corridor. Proper planning places linear
21 features such as transmission lines along arterial roads or other significant linear
22 features to the greatest extent possible. Furthermore, the approved alignment would
23 have equal visual impact along 235th Avenue and the Joy Ranch Road alignment and
24 to existing and future residents along those corridors.**

25 **Q. Mr. Christensen testified that the approved alignment was a "carefully crafted
26 agreement addressing the concerns of various parties, including SFI Grand
27 Vista" and that the proposed alignment "was not even discussed during the
28 initial proceedings." What is your reaction to that testimony?**

29 **A. The approved alignment did address the essential concern of various parties by
30 locating the line on state and federal land to the maximum extent possible, including**

1 by locating the segment of the line west of 171st Avenue to the Sun Valley substation
2 on State Trust Land to the maximum extent possible. The proposed amended
3 alignment does not at all alter that "agreement" or the essence of the Commission's
4 determination in that regard.

5 During the initial proceedings, Grand Vista's argument focused on keeping the
6 certificated corridor off Grand Vista's property. Grand Vista did not argue then to
7 be farther away from the certificated corridor than across a major arterial, as the
8 corridor is across Joy Ranch Road from Grand Vista between 187th and 195th
9 Avenues. Mr. Duncan's direct testimony here states that "the alignment and corridor
10 dimensions adopted by the Committee and the Arizona Corporation Commission
11 were consistent with my opinions." The distance of the amended alignment from
12 Grand Vista is no less than under the approved alignment, and thus presumably also
13 would have been consistent with his opinions.

14 Furthermore, the amended alignment was discussed at the Line Siting Committee
15 hearing on December 2, 2008, and agreed to by Grand Vista as "acceptable and
16 good." Committee Member Patricia Noland raised "possible alternatives" which in
17 relevant part included moving the corridor, starting at Grand Avenue, to Cloud Road
18 "east over to the Grand Vista property line at 211th Avenue ... [a]nd then you pop
19 north [on 211th Avenue] to the present Segment 3 [north of Joy Ranch Road]."
20 (Transcript of December 2, 2008 (attached as Exhibit A), at 3420 line 11; 3421 lines
21 3-4; 3425 line 22 – 3426 line 1.) Counsel for ASLD stated that option was better
22 than the approved alignment because it did not "bifurcate our lands" and was "on our
23 boundaries." (Transcript at 3439.) Counsel for Grand Vista, after assurance that the
24 line "would all be to the west of the 211th Avenue right-of-way," affirmed that the
25 "Noland proposals are acceptable and good modifications." (Transcript at 3445 lines
26 18-24; 3448 lines 8-12.)

21 **Q. Mr. Duncan testified that the proposed alignment "will likely affect**
22 **marketability, applicable absorption rates, and thus the market value of"**
23 **neighboring properties. What is your reaction to that testimony?**

24 **A.** To my knowledge, no property owners testified that they would be better off having
25 the line located on their property, as opposed to across the street from their property,
26

1 so in any event ASLD is more burdened than the neighboring properties. Certainly
2 the line will reduce the amount of otherwise developable State Trust Land.

3 In addition, if the concerns Mr. Duncan raises are true, and Mr. Duncan provides no
4 support, then those concerns will impact the proximate State Trust Land to a greater
5 extent than the private land across the street. Based on Mr. Duncan's argument, it is
6 more logical and fair, and indeed more consistent with the State's trust obligations,
7 that ASLD should be allowed to locate the relevant four miles of the line, which will
8 be on ASLD's property anyway, in a location that minimizes those alleged impacts
to ASLD. In other words, the concerns that Mr. Duncan raises do not and should not
apply only to private land.

9 Furthermore, ASLD should not be forced to accept bad planning on its lands just
10 because the developers who dominated the initial proceedings had spent a substantial
11 amount of money on planning prior to the 2008 hearings (the current value of which
12 plans must at least be questioned given the changes in the real estate market since
13 then) and ASLD does not have the funds to plan every acre of its vast holdings north
14 of Surprise. One fundamental planning principle that ASLD regularly adheres to, as
15 any landowner would, is that linear rights-of-way for utility lines be located to avoid
16 bifurcating State Trust Land to the fullest extent possible, so as to limit the potential
negative impacts Mr. Duncan suggests and to preserve flexibility for future uses,
thus preserving the greatest potential value for the land's future disposition.

17 **Q. Mr. Duncan testified that "to the extent the approved alignment does reduce the**
18 **value of the ASLD lands ..., ASLD will receive full, fair and just compensation**
19 **for the property rights acquired by APS and for the diminution in value to the**
20 **remainder property" Do you agree with this statement? Why or why not?**

21 **A.** No. First, the approved alignment does reduce the value of the ASLD lands for all
22 the reasons discussed elsewhere in my testimony.

23 Second, ASLD will be fairly compensated by APS, but only in terms of current land
24 values. The appraisal for the right-of-way will provide a value based on current
25 comparable land transactions. Consideration will also be given within the appraisal
26 for potential damages to ASLD's remainder parcel, but only as of the current date of
valuation. These damages will likely be nominal given that the subject land

1 represents vacant desert land, as does much of the land around it currently, with no
2 near-term development prospects.

3 The significant diminution in value will not be compensated, because it may only be
4 measured sometime in the future, near the time of the land's development, at the
5 point when ASLD sells or leases the site. At that moment the damage to the
6 remainder parcel will be realized, but ASLD will receive no just compensation.
7 Because there is no valuation mechanism to account for the future damages, the
8 appraisal process does not adequately and fairly compensate the Trust for damages
9 from the utility line, particularly if the line bifurcates the State Trust Land.

10 Third, Mr. Duncan's testimony suggests that receipt of diminution in value damages
11 would make any private landowner whole, and thus indifferent to condemnation.
12 Yet, to my knowledge, no private landowners who testified in this matter, including
13 Grand Vista, wanted to have the utility line run through their property, even though
14 condemnation damages would also provide for compensation for the diminution in
15 value to the remainder of their property. The presence of the utility line limits
16 flexibility in siting land uses and reduces the potential for realizing greater future
17 returns from the property.
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EXHIBIT A

1 BEFORE THE ARIZONA POWER PLANT AND TRANSMISSION
2 LINE SITING COMMITTEE
3 IN THE MATTER OF THE APPLICATION)
4 OF ARIZONA PUBLIC SERVICE COMPANY,)
5 IN CONFORMANCE WITH THE) Docket No.
6 REQUIREMENTS OF ARIZONA REVISED) L-00000D-08-0330-00138
7 STATUTES §§ 40-360, et seq., FOR A)
8 CERTIFICATE OF ENVIRONMENTAL) Case No. 138
9 COMPATIBILITY AUTHORIZING THE TS-5)
10 TO TS-9 500/230kV TRANSMISSION)
11 LINE PROJECT, WHICH ORIGINATES AT)
12 THE FUTURE TS-5 SUBSTATION,)
13 LOCATED IN THE WEST HALF OF)
14 SECTION 29, TOWNSHIP 4 NORTH,)
15 RANGE 4 WEST AND TERMINATES AT THE)
16 FUTURE TS-9 SUBSTATION, LOCATED IN)
17 SECTION 33, TOWNSHIP 6 NORTH,)
18 RANGE 1 EAST, IN MARICOPA COUNTY,)
19 ARIZONA.) DELIBERATIONS AND
20) VOTING

21
22
23 At: Phoenix, Arizona
24
25 Date: December 2, 2008
26
27 Filed: December 5, 2008

28 REPORTER'S TRANSCRIPT OF PROCEEDINGS
29
30 VOLUME XVI
31 (Pages 3381 through 3606)

32
33 ARIZONA REPORTING SERVICE, INC.
34 Court Reporting
35 Suite 502
36 2200 North Central Avenue
37 Phoenix, Arizona 85004-1481

38 By: MICHELE E. BALMER
39 Certified Reporter No. 50489

40 Prepared for:

41

1 BE IT REMEMBERED that the above-entitled and
2 numbered matter came on regularly to be heard before the
3 Power Plant and Transmission Line Siting Committee, at the
4 Phoenix Airport Marriott Hotel, 1101 North 44th Street,
5 Phoenix, Arizona, commencing at 9:33 a.m. on the 2nd day
6 of December, 2008.

7
8 BEFORE: JOHN FOREMAN, Committee Chairman

9 WILLIAM A. MUNDELL, Arizona Corporation
Commission
10 PAUL W. RASMUSSEN, Department of Environmental
Quality
11 JACK HAENICHEN, Department of Commerce
GREGG HOUTZ, Department of Water Resources
12 MICHAEL PALMER, Appointed Member
BARRY WONG, Appointed Member
13 MIKE WHALEN, Appointed Member
PATRICIA NOLAND, Appointed Member
14

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MICHELE E. BALMER

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Certified Reporter No. 50489

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1 Committee finds that -- oh, 9. Well, I add myself to the
2 list of those with law degrees who are computationally
3 challenged.

4 By a vote of 9 to zero, the Committee finds that
5 there is need for the project.

6 Now let's move on to the issue of placement. And
7 it seems to me that there are a number of issues that
8 relate to placement. The first, I think, is whether or
9 not the Committee wants to be limited to the preferred or
10 alternative routes that have been articulated during the
11 hearing. And if it doesn't, obviously there's a statutory
12 provision that we've spoken of before, 40-360.04.A that
13 would allow us to proceed in that fashion.

14 Member Noland, you had a proposal that you wanted
15 to present.

16 MEMBER NOLAND: I do, Mr. Chairman. And I have
17 to preface this by saying I don't have all of the
18 information on all of the development, all of the existing
19 homes and all of that. I can't, because I can't talk to
20 anybody, and it's a little difficult. One of the maps up
21 yesterday helped with some information.

22 But as I thought very hard on this and have
23 thought very hard on the routes, I really think that the
24 selected routes, some of them, not all of them, are
25 particularly onerous. And I couldn't get past

1 40-360.06.A.1, and that has to do with plans. It doesn't
2 have to do with existing buildings. It has to do with
3 plans.

4 Having been on both sides of the counter, both as
5 a builder, developer, and a city manager, and working in
6 counties, cities, all of those, I know the challenges.
7 And the old preliminary plats and final plats -- the new
8 is the PADs or whatever, PCDs, whatever you call them in
9 whatever city you're in -- and we used to not do the real
10 engineering and all of the real costs until we got into
11 the final platting process. Preliminary was to set some
12 guidelines and then go into final platting.

13 Now, so much of that engineering and flood
14 control and other agreements on utilities and shared
15 responsibilities are done with the planned area
16 development or the planned community development, and
17 that's why we've seen such an outcry from people that have
18 spent millions of dollars in this process and cities that
19 have tied their future development for all of their cities
20 to certain aspects and plans for wastewater facilities,
21 water facilities, and flood control facilities.

22 So in thinking about that and trying to
23 balance -- and that's what this is, a balancing that we're
24 trying to do -- I had a couple of suggestions for possible
25 alternatives in a few areas that, again, I know, Mr. Hays,

1 you're looking at me with really a nice look, and I
2 appreciate that instead of a hateful look.

3 So what I'm going to do is come down and ask
4 Mr. Gosdis if I could take his place and sit next to you,
5 and you can have my potential plans, so I could show you
6 with the green light so that my friend Mr. Haenichen can
7 see it.

8 Okay. Now, understand when I was in my planning
9 days we didn't have these little pointer doo-dads, so I
10 haven't really used one before.

11 I have two possible alternatives. I'm going to
12 do the number one first, which follows TS-5 along the CAP
13 canal and BLM land to the 251st Street alignment. Now, I
14 can't really tell what that is on this map. Let me grab
15 my map.

16 It's just outside this line right here, and it
17 would run north to Jomax. Then it would run to the west
18 and along the alignment of the original proposed
19 Segment 1, but all of the corridor and right-of-way would
20 be to the east side, totally on the east side going north.
21 Would run north up to Cloud Road, and then would run over
22 going east on Cloud Road to 243rd Avenue.

23 Thank you. See, he agrees with me. He's helping
24 me.

25 Then it would run north to Grand Avenue, down,

1 and it's kind of at the angle on Grand Avenue until you
2 got over here on this section line on Cloud Road again.
3 And then it would run over on Cloud Road to 211th Avenue,
4 then north to the proposed latest Segment 3.

5 Then along Segment 3, and then it would be this
6 alternate north Segment 3, and run down south with the
7 additional 500 feet that was requested to the south by
8 DLGC.

9 One of the things that this does also with the
10 north alignment, just based on what was said a few minutes
11 ago by Mr. Campbell, is that if, in fact, ADOT is looking
12 at the south, at the south portion for right-of-way,
13 200 feet of right-of-way because they don't want to share
14 utility corridors, the north side would take care of that
15 problem.

16 Now, the other thing that I didn't mention, in
17 the area on Cloud Road and any of the corridor
18 right-of-way would all be to the north side and would not
19 impact on any of the development that's currently in
20 place.

21 This places more of a burden on the state land,
22 but as I mentioned yesterday, the state land is
23 undeveloped. It's unplanned. You can plan around utility
24 corridors. You can plan around the structures. It's been
25 done in Scottsdale. But when you go in and bifurcate

1 planned areas that already have their plans in place to
2 make them replan that area and spend millions of dollars
3 that have to be spent to reengineer, to redo plans for
4 wastewater treatment, all of those, that's a whole
5 different story.

6 And I think that with the State Land Department
7 the land would still be viable. If it goes along the
8 section lines, it's a better deal. I think they're
9 happier with that. And somebody would buy it knowing that
10 those are the plans for the area.

11 Perhaps the cities, Peoria, Surprise, whatever,
12 can give consideration in zoning densities as we've seen
13 in Scottsdale with the higher densities in the areas along
14 where the utilities are located, where the transmission
15 lines are located, and that becomes the benefit of the
16 property in allowing those higher densities. So that was
17 my first alternative.

18 The second alternative has two pieces, and that
19 would be to go over to the west along the Hassayampa, or
20 to go over to the west to 307th Avenue, run up to Cloud
21 Road, and then take the same route that I described
22 before.

23 Again, I don't have the benefit of knowing all of
24 the development or developers. I tried to stay on road
25 alignments and to skirt as best I knew current planned

1 development. Thank you all. Thanks for indulging me.

2 MR. PALADINI: Mr. Chairman, could we ask Member
3 Noland to do that one more time?

4 MEMBER NOLAND: Do what?

5 MR. PALADINI: Can you repeat the first
6 alternative, especially as it gets to Grand Avenue?

7 MEMBER NOLAND: Can I read it for you?

8 CHMN. FOREMAN: Sure, go ahead.

9 MEMBER NOLAND: I do have some copies. And you
10 can, you know, follow along, if you would like.

11 CHMN. FOREMAN: Let me see if I understand it,
12 Member Noland. You're going to start at TS-5.

13 MEMBER NOLAND: Correct.

14 CHMN. FOREMAN: You're going to take the -- it
15 looks like the --

16 MEMBER NOLAND: CAP.

17 CHMN. FOREMAN: -- the CAP, but it's the place
18 where there's already been a previously sited line; is
19 that correct? All the way up to 243rd Avenue?

20 MEMBER NOLAND: 251st Avenue.

21 CHMN. FOREMAN: 251st Avenue. Okay. There is
22 a -- and I'm looking now at Exhibit H-1 to the
23 application. If we could have Exhibit H-1 to the
24 application on the left screen, please. H-1.

25 It looks to me like you're coming up 251st, then

1 you pop up to Jomax.

2 MEMBER NOLAND: Jomax.

3 CHMN. FOREMAN: Which misses Luke Air Force Base.

4 MEMBER NOLAND: Correct.

5 CHMN. FOREMAN: Then you go back west.

6 MEMBER NOLAND: Right.

7 CHMN. FOREMAN: And you go west to where?

8 MEMBER NOLAND: Go north -- you go west to the

9 current --

10 CHMN. FOREMAN: To the current preferred route.

11 MEMBER NOLAND: -- preferred. Only all of the

12 corridor would be on the east side of the current

13 preferred or Segment 1.

14 CHMN. FOREMAN: Then you would go north past the

15 preferred -- past Alternate 1.

16 MEMBER NOLAND: Correct.

17 CHMN. FOREMAN: Past Segment 2 up to Cloud Road,

18 which would be a mile north.

19 MEMBER NOLAND: Right here.

20 CHMN. FOREMAN: Then you would take Cloud Road

21 across to --

22 MEMBER NOLAND: No, you go north.

23 CHMN. FOREMAN: You're on Cloud Road. That's a

24 mile north. So where do you go?

25 MEMBER NOLAND: Right here, there's some kind of

1 little thing here on this triangle.

2 CHMN. FOREMAN: Yes. On H-1 there's a triangular
3 thing that I don't know whether it's associated with
4 Broadstone Ranch or not.

5 MEMBER NOLAND: So I don't know what it is.

6 CHMN. FOREMAN: If you go straight across on
7 Cloud Road, then you go all the way over to the Grand
8 Vista.

9 MEMBER NOLAND: So that's 243rd Avenue. Let me
10 just explain that that's 243rd Avenue right there.

11 CHMN. FOREMAN: Okay.

12 MEMBER NOLAND: Then you go down Grand Avenue --

13 CHMN. FOREMAN: Okay.

14 MEMBER NOLAND: -- to Cloud Road alignment again.
15 Then you go east on Cloud Road, but the corridor would be
16 totally to the north.

17 CHMN. FOREMAN: I thought you were already on
18 Cloud Road.

19 MEMBER NOLAND: After I went up to Grand, down to
20 Cloud, then to the east.

21 CHMN. FOREMAN: Okay. So you avoid that triangle
22 up there, and you go up and then you go east over to the
23 Grand Vista property line at 211th Avenue.

24 MEMBER NOLAND: To 211th Avenue.

25 CHMN. FOREMAN: And then you pop north to the

1 present Segment 3.

2 MEMBER NOLAND: Correct. And then it's the rest
3 of the present Segment 3 until you get to the point where
4 there was the proposed alternate.

5 CHMN. FOREMAN: Alternative 3-North.

6 MEMBER NOLAND: 3-North. Now, I have to tell you
7 all that Mr. Hays said he liked my plan better. Now I'm
8 worried.

9 CHMN. FOREMAN: We'll try not to hold it against
10 him.

11 MEMBER NOLAND: I've done something wrong here.
12 But no. Anyway, then the Alternate 2 again would go over
13 either along the west side of the Hassayampa or to 307th
14 Avenue alignment, up to Cloud Road, and then across and
15 join into the same exact type of route that I had proposed
16 before. That virtually eliminates the impact on the
17 development that we have that is planned if the corridors
18 remain on the opposite side from where they are as we had
19 proposed.

20 CHMN. FOREMAN: Mr. Paladini, you were
21 representing the interests of Broadstone Ranch, is that
22 right? No. I'm sorry. Mr. McCoy.

23 Mr. McCoy, what is that triangular piece of
24 property that is north of Cloud Road near its
25 interconnection with Grand Avenue? Is that a part of the

1 Broadstone Ranch property?

2 MR. McCOY: Chairman Foreman, it is not. That is
3 actually a community residence. It goes by the name of
4 Circle City, and that's an area just north of the
5 Broadstone Ranch.

6 CHMN. FOREMAN: I thought they were bankrupt.

7 MR. McCOY: Well, I don't know that they're an
8 incorporated community.

9 CHMN. FOREMAN: I'm sorry.

10 Member Palmer.

11 MEMBER PALMER: Mr. Chairman, Noland-1 is either
12 contained within or tangential to the study area
13 boundaries; is that correct?

14 CHMN. FOREMAN: I think Noland-1 is all in the
15 study boundaries.

16 MEMBER NOLAND: No, it's not.

17 MEMBER PALMER: It's tangential to --

18 MEMBER NOLAND: The original, yes.

19 CHMN. FOREMAN: In the original study area.

20 MEMBER PALMER: And Noland-2 reaches outside of
21 the study area for a portion of it.

22 CHMN. FOREMAN: Well, let's ask a question on
23 that. I'm not sure that it does.

24 Does Noland-2, the west of the Hassayampa
25 alternative that would go over to 307th Avenue, is that

1 outside of the original broad study area?

2 You showed us a number of alternative routes that
3 were out there. I think your first or maybe your second
4 newsletter had a series of proposed possibilities, and it
5 looks to me like Noland-2 might be very close to those
6 areas.

7 MR. CAMPBELL: Noland-2 is within the original
8 study area. It does go through or by a couple of other
9 planned developments and existing residences.

10 I also want to confirm an earlier answer. Cloud
11 Road was one of the preliminary routes that we looked at.
12 It was eliminated because of existing residential. You
13 have a community -- we literally with this plan would be
14 circling a community. You would be circling Circle City,
15 and you would be putting it all around.

16 CHMN. FOREMAN: Circling Circle City.

17 MR. CAMPBELL: So that was the reason that Cloud
18 Road, which was one of the ones that we studied in those
19 preliminary routes, the reason we eliminated Cloud Road
20 was because of the existing residences up there and went a
21 level below.

22 With respect to Member Noland's recommendations
23 down on the south side, if we could take a break we could
24 have a chance to study it a little bit. But our immediate
25 reaction, our concern would be the Cloud Road alignment

1 will really impact the existing residents and existing
2 buildings; it will literally circle a community.

3 CHMN. FOREMAN: Am I not correct that the route
4 that she has proposed with regard to her first proposal is
5 a route that would go along a route that has already been
6 approved as a siting for a transmission line?

7 MR. CAMPBELL: The first portion, the portion
8 that goes along the CAP canal before she turns north, that
9 portion is consistent with a prior siting order.

10 CHMN. FOREMAN: Yes.

11 MR. CAMPBELL: It turns north -- I think, Member
12 Noland, it turns north at 251st; is that right? That
13 departs from the earlier siting; is that right? Once it
14 turns north, it would depart from an earlier siting.

15 CHMN. FOREMAN: Do you have any idea whether it
16 would transect or impact any developments from the time it
17 turns north until the time it comes back from the
18 preferred route?

19 MR. CAMPBELL: It will be -- it basically is
20 moving -- basically what it does is there's a planned area
21 development -- maybe if we have a pointer.

22 There's a planned area development right here
23 called Spurlock Ranch. They're not an intervenor in this
24 case. Right now the preferred route goes on their western
25 boundary. This revised route, Alternative 1, would

1 basically circle that development, and it would go on the
2 south side, the east side, and the north side of that
3 planned area development.

4 And that was one of the -- again, one of the
5 reasons that when we looked at these proposals, although
6 we didn't look at this precise southern part of the
7 proposal, but that would be another initial reaction is
8 because it circles a planned area development, literally.
9 And then they have Mead on the other side, so they
10 literally have transmission line on all four sides of
11 their planned area development.

12 MEMBER NOLAND: Mr. Chairman, again, this is
13 just -- and I didn't have that information, but those are
14 suggestions. It can go further over to the east and up
15 and over. The Cloud Road, you know, you could come up
16 Cloud Road and before you get to Circle City and go up
17 north to Grand Avenue and down.

18 This is the first I have heard about your concern
19 on circling the developments. You know, I understand that
20 concern. We had concerns from Vistancia with three sides,
21 and I understand that. But it's just that I think there
22 are some other options out there that would keep the lines
23 from having to have right-of-way within those developments
24 and allow it on another side of the development that they
25 wouldn't have to replan and redo their PADs, any of them.

1 MR. CAMPBELL: And Mr. Chairman -- I'm sorry.

2 CHMN. FOREMAN: What I'm proposing to do at this
3 point is to take -- it's about time for our morning recess
4 anyway. Let's take a recess, and let's allow everybody to
5 kind of think about this and those who are affected. And
6 I'm assuming it's going to be primarily State Land and
7 10,000 West, and perhaps Mr. McCoy, Broadstone, and
8 Surprise may have been surprised by this also.

9 So let's think about it a little bit, and then
10 we'll come back and talk about it. We'll take 15 minutes.
11 We'll be back at 10:53.

12 (A recess was taken from 10:39 a.m. to 10:55 a.m.)

13 CHMN. FOREMAN: Let's see if we can take our
14 seats now.

15 All right. I wanted to give an opportunity to
16 everybody to luxuriate in a full 15-minute thought about
17 this, these two new proposals. And I want to give
18 everybody an opportunity to, in a minute or two,
19 hopefully, give us your thoughts, support, opposition,
20 indifference, what we should know before we decide. And
21 we're going to decide here hopefully very quick.

22 So let's start with Member Haenichen.

23 MEMBER HAENICHEN: Before we get into that phase
24 of it, I for one, at least, need some guidance on a couple
25 of items. One is, what is an insignificant change -- and

1 I forget the language -- and who decides it?

2 And the second thing is, is it possible in a
3 proceeding like this for the Committee to approve certain
4 portions of a line and take other portions with -- make a
5 suggested route that's outside the present area of
6 consideration, and then that would have a little mini
7 hearing associated with that?

8 If you could give us some guidance on those two
9 things it would be helpful.

10 CHMN. FOREMAN: Well, and I'm certainly open to
11 thoughts from others as we go down the line on this, but
12 my thought about whether you have a substantial deviation
13 that would require us to make a finding under 40 -- the
14 Committee to make a finding under 40-360.04, would be at
15 least in the first instance the Chair's call.

16 And it seems to me that both of the proposals
17 that have been made, Noland-1 and Noland-2, would be
18 substantial deviations using the legal standards that were
19 in the memos that have previously been submitted to the
20 Chair.

21 Now, if we decided as a Committee that we wanted
22 to pursue one of those proposals, then the Committee as a
23 whole would have to vote under 40-360.04.A to find that --
24 to propose a condition to the certificate on the use of a
25 site other than the site or alternative sites generally

1 described in the notice and make the finding, as I said,
2 under -- that's called for by the statute.

3 So that would be my legal interpretation of it.
4 If there are other interpretations as we go down the
5 line --

6 MEMBER HOUTZ: Mr. Chairman, does that entail
7 additional public notice and an additional hearing on
8 those?

9 CHMN. FOREMAN: Yes, exactly. Now, I do not
10 think it would be necessary to start over, but I think
11 that would be an option that the Applicant would have.
12 The Applicant could either choose to pursue the -- we'll
13 call it the fast-track system under 40-360.04.A, or the
14 Applicant could decide to make a completely new
15 application.

16 MEMBER HOUTZ: Mr. Chairman, I make that comment
17 because, you know, as much as I appreciate what Ms. Noland
18 has put forward, I believe that if we took her Proposal 1
19 or Proposal 2 in whole, there are so many potential
20 intervenors that the 30 to 60 days to the next hearing on
21 this probably would not suffice. I think that you would
22 see another four or five, six, seven intervenors that
23 would need to come in and give them that opportunity,
24 particularly down in what would be the southwest corner.

25 CHMN. FOREMAN: Well, let me ask you to hold your

1 thoughts until -- let me ask the Committee members to hold
2 their thoughts until we hear from the Applicant and the
3 intervenors. And then once we are informed by their
4 thoughts, then let's have at it and discuss the merits of
5 the proposals that are made. They're serious proposals,
6 and we need to seriously discuss them.

7 So let's start with the Applicant.

8 MR. CAMPBELL: Thank you, Mr. Chairman. We have
9 during the break looked at the maps, looked back at our
10 early analysis, and let me walk you through our reaction.

11 This route would totally encircle Spurlock Ranch,
12 a planned area development that's not an intervenor here.
13 It would on Cloud Road and Grand Road totally encircle
14 existing residents of Circle City. It would also on that
15 piece be in the flight pattern from Thunder Ridge private
16 airpark. In other words, it's not parallel to the runway
17 anymore. It goes across the flight pattern. It would
18 require more turning structures, which will have a visual
19 impact, and it would be a longer route.

20 With respect to Alternative 2, it would bifurcate
21 the existing Douglas Ranch planned area development, and
22 then it would leave the study area and go through existing
23 residences in the Whispering Ranch area, the famous case
24 that we talked about earlier.

25 So the Applicant could not recommend either of

1 those routes from an environmental impact to either you or
2 the Commission.

3 Now, what we've tried to think about -- because
4 we understand Member Noland is concerned with the planned
5 area. She's been very clear on that. And we think in our
6 preferred route in this area, we have given you the option
7 if you would like to address that issue, and, in fact,
8 Member Noland in her proposal actually mentions that.

9 As the segment leaves the Mead line where you
10 already have an existing transmission line, you have the
11 option of putting it on -- telling us to put it on the
12 east side, which is on the state land. There's a
13 1,500-foot corridor there which would have in a sense,
14 with respect to this planned area development here, the
15 same impact that Member Noland is trying to achieve
16 without the other ramifications of the two alternatives
17 that she has proposed.

18 So our suggestion in trying to be responsive to
19 Member Noland's concerns would not be Alternative 1 or 2,
20 but you do have that option, as it's adequately noticed
21 and before you, simply to take that part of her proposal
22 and put it on the east side.

23 CHMN. FOREMAN: Let me ask, so may I interpret
24 that is that the Applicant would not support either
25 Noland-1 or 2; is that correct?

1 MR. CAMPBELL: No. We do not feel like either of
2 those routes are environmentally compatible.

3 CHMN. FOREMAN: If the Committee decided to adopt
4 either Noland-1 or Noland-2, can you tell us now whether
5 you would reapply or whether you would try to use the 30-
6 or 60-day time window that's in the statute?

7 MR. CAMPBELL: What we would do is ask or request
8 for review at the Commission level and ask the Commission
9 to review that. So we would ask you basically to deny our
10 routes, and then we would want to take that to the
11 Commission.

12 CHMN. FOREMAN: Very good. Fair enough.
13 Staff.

14 MR. HAINS: Thank you. I'm pleased to hear about
15 the one discussion about the substantial change. That was
16 our main concern was that the likelihood and potential of
17 substantial deviation from the original notice.

18 CHMN. FOREMAN: Do you -- excuse me for
19 interrupting. Do you disagree with my analysis?

20 MR. HAINS: Not at all. We do believe that there
21 is a potential -- I don't know what the land ownership is
22 in here. Unfortunately, I can't overlay the map that I
23 crudely traced out on the laminate here onto the map
24 showing the land ownerships that's been put up on the one
25 screen there, and I'm not that good at projecting in my

1 mind what it would look like on there.

2 But I do see a potential here of additional
3 landowners that would qualify as affected persons that are
4 not present here, and would not have had reason or basis
5 to know that they would have interests that are affected
6 by the changes that are suggested.

7 Staff doesn't have environmentalists on hand. We
8 don't have the background to tell if there's an
9 environmental compatibility issue presented by either of
10 these two proposals.

11 However, we're a little concerned with the number
12 of turning structures in close proximity, particularly
13 looking at the Circle City circling that's proposed. I
14 confess I don't know and don't remember from the
15 application if Applicant is using a single tower or a
16 three-tower turning-type structure mechanism. We could
17 have a forest of towers in a one section piece. It's
18 possible. I just don't recall right now.

19 I don't know if there's been an evaluation of
20 reliability concerns. I'm not testifying, but generally
21 there's a concern that turning structures have more
22 physical stresses placed on them because of the high
23 tension wires pulling them in different directions, and if
24 a tower is more likely to fall, it's going to be the
25 turning towers because -- that's why generally there's a

1 possibility they can build up more than one tower to
2 mutually support that. Staff hasn't had a chance to
3 evaluate if there are reliability issues associated with
4 the Circle City turning proposal component of either the
5 proposals.

6 That aside, those are Staff's concerns. We're
7 not straight up objecting to them; we just don't have an
8 opportunity here to evaluate whether or not they're
9 feasible even. So thank you.

10 CHMN. FOREMAN: Member Noland wants to clarify.

11 MEMBER NOLAND: I need to clarify something.
12 Never did I think this was an insignificant change, ever.
13 What I had -- and I think I explained last night that it
14 would be something that would have to be renoticed. There
15 would be other people.

16 Again, I threw it out for what it's worth. I
17 think that -- I never thought about circling being worse
18 than bifurcating, number one.

19 Number two, I think that the portions that I have
20 described that stay north of the developments that go into
21 the state land I think are viable options within the
22 noticed corridor. That is something that I know that the
23 State Land Department does not appreciate, but again, as
24 far as planned areas and non-planned areas, I think it
25 makes more sense in approving a route.

1 CHMN. FOREMAN: Okay. State Land.

2 MR. HAYS: Thank you, Mr. Chairman. Ms. Noland
3 was correct earlier. She heard me turn around as she was
4 going through her presentation and tell my client I liked
5 this one, and that's true. Both of the options presented
6 by Ms. Noland today are better than the alternatives and
7 the preferred that APS has put forward.

8 Now, are they perfect? Probably not. Is there
9 some way we could work with APS cooperatively to come to
10 something that we could all agree to? Probably. It
11 doesn't bifurcate our lands, which has been one of our
12 main issues.

13 And yes, there is, as Ms. Noland said on
14 Segment 1, that entire portion would be on the side of our
15 property, but I believe as I stated yesterday, when we do
16 take transmission lines, which we always do, we want them
17 on our boundaries.

18 So I think Ms. Noland has brought forth something
19 that we could live with, at least work together with APS
20 to get to a point where we feel we would be less impacted
21 and the lands that we hold in trust would be less
22 impacted.

23 CHMN. FOREMAN: 10,000 West.

24 MR. NADEAU: Thank you, Mr. Chairman. Mark
25 Nadeau.

1 We're of the same view as the State Land
2 Department. As the Committee will appreciate, my client
3 has been sponsoring the western alternative from the
4 outset, and, in fact, that was in part because we had met
5 with the State Land Department, as was mentioned to you
6 during Mr. French's testimony.

7 We think it has multiple advantages, particularly
8 in light of the asserted need here, because it goes to the
9 west and it services those communities that are still yet
10 in planning stages, and it also goes up north so that it's
11 accessible to the Wickenburg alignment.

12 So as to the Alternative 2 or the western
13 alternative, we're very much in support of that. As to
14 Alternative No. 1, likewise, we think that's an
15 improvement. We, too, would like to tweak certain parts
16 of it, but overall an improvement and we appreciate that
17 effort.

18 As to your points about the legal issues, I think
19 they're consistent with what you decided yesterday.

20 CHMN. FOREMAN: Okay. Town of Surprise.

21 MEMBER COM. MUNDELL: What does that mean? Just
22 to be clear, Mr. Chairman, what does that mean?
23 Consistent with what you said yesterday?

24 CHMN. FOREMAN: I made rulings yesterday on
25 proposals concerning --

1 MEMBER COM. MUNDELL: No. That it wasn't a
2 substantial deviation.

3 CHMN. FOREMAN: I ruled that one proposal was not
4 a substantial deviation and that two were.

5 MEMBER COM. MUNDELL: I understand that, but when
6 counsel was talking, he didn't -- at least I wasn't sure
7 which of your rulings he was agreeing with. That's the
8 only point I was trying to make so the record is clear.

9 CHMN. FOREMAN: Oh, my understanding was that
10 counsel was saying he not only agreed with my rulings
11 yesterday -- no. That he thought that whatever mistakes I
12 made yesterday, I made today also.

13 MR. NADEAU: Correct. I note for the record that
14 you're laughing when you say that, so that's good.

15 To respond, the rulings yesterday concerning the
16 substantial change issue, I thought what was just said now
17 was consistent with that.

18 We would part company with the rulings from
19 yesterday on the notion that it would be a substantial
20 change, as an example, if the line were sited in the
21 Westwing alignment, because we believe, have believed and
22 have presented evidence to this effect, that the Westwing
23 alignment would not require an expansion.

24 So if, in fact, you were siting in an existing
25 utility corridor that didn't need legal expansion by

1 virtue of condemnation or otherwise, and our approach
2 there was that this 500-kilovolt line could, by virtue of
3 the testimony of our experts, be hung on the exact same
4 existing towers that are there now, that would not be a
5 substantial change. But that argument, if you will, isn't
6 before us at this point.

7 With respect to these two changes, I think it's
8 fair to say that in terms of the notice for this hearing,
9 I believe they fall within the impact study area with
10 maybe modest modification on the north to the western
11 alternative. So it's within the impact study area and
12 would not require renoticing and restarting the whole
13 thing from the beginning because of a new impact study
14 area. It does, it seems to us, probably step outside and
15 become a substantial change in terms of whether or not you
16 could do it without additional notification.

17 MEMBER COM. MUNDELL: Thank you. That's all I
18 was trying to clarify.

19 Thank you, Mr. Chairman.

20 CHMN. FOREMAN: City of Surprise.

21 MR. GRUBER: Subject to further study by our
22 planners and then some sort of official declaration by our
23 city council, at first blush at least these two new
24 proposals seem preferable to what has previously been
25 presented by the Applicant.

1 I think it's -- we acknowledge the objection or
2 the concern raised about existing developments, you know,
3 along these new proposals, but I think it is important to
4 remember, as Member Noland accurately stated, that the
5 Committee is charged with considering plans as well as
6 existing developments, and that these new proposals may be
7 superior to what we've already seen in that regard.

8 CHMN. FOREMAN: Am I correct in my understanding
9 that both of these proposals would run the lines outside
10 the city limits of Surprise?

11 MR. GRUBER: Not completely. But again, I'll put
12 a caveat next to that statement, because I would want to
13 see the lines actually drawn on a map. That's my
14 understanding, though. But not completely.

15 CHMN. FOREMAN: Very good. Thank you.

16 MR. NADEAU: Mr. Chairman, Mark Nadeau again for
17 10,000 West. I neglected to say and should have that, as
18 you will recall, the Town of Buckeye also was sponsoring
19 the western alternative, which is the Alternative No. 2
20 mentioned by Member Noland.

21 CHMN. FOREMAN: Thank you.

22 Elliott Homes.

23 MR. McCOY: Thank you, Chairman Foreman, and
24 members of the Committee. I want to say we appreciate
25 Member Noland's attempts to try to come up with a

1 compromise alignment that takes into consideration the
2 numerous divergent interests that we have here.

3 I want to qualify what I have to say with this
4 statement, and that is, Elliott Homes has always
5 approached this proceeding not with the notion that
6 somehow the Broadstone Ranch development would avoid
7 accepting a portion of the burden of this 500/230kV line,
8 but with the thought that to the extent practicable and
9 acceptable to this Committee and the Commission, that that
10 burden would be limited to a certain degree. And that's
11 why we've always advocated for Alternative No. 1.

12 With that being said, the Noland Alternative 1
13 proposal does avoid the entire Broadstone Ranch
14 development and would be acceptable to Elliott Homes. I
15 would say, and I agree with State Land's and 10,000 West's
16 position and the City of Surprise, but I also am somewhat
17 sympathetic to APS's position.

18 Having zoned the Broadstone Ranch development, we
19 are keenly aware of our neighbors to the north and their
20 interests and activity that goes on around there, and so
21 we know that the Circle City folks are an active group.

22 CHMN. FOREMAN: All right.

23 Anderson Land.

24 MR. PALADINI: Anderson Land would support either
25 Noland-1 or Noland-2 as better than what is proposed by

1 the Applicant.

2 CHMN. FOREMAN: Sunhaven and Surprise Grand
3 Vista.

4 MR. BRASELTON: Thank you, Mr. Chairman. On
5 behalf of Sunhaven, we would support either one of those
6 two alternatives. Neither one appears to encroach or come
7 onto the Sunhaven property in any respect.

8 MR. BIRNBAUM: Mr. Chairman, Gary Birnbaum for
9 Surprise Grand Vista.

10 And thank you, Member Noland, for spending your
11 weekend doing something other than watching football and
12 eating leftover turkey.

13 There are a few clarifications that I would like
14 to ask for, and I believe, Mr. Chairman, you'll find that
15 they also impact certain of the questions that you just
16 asked of the Town of Surprise and others, but Surprise in
17 particular.

18 The first one -- and I'll try to go west to east.
19 Member Noland, when the proposed lines travel north on
20 211th Avenue, that's the first point that I'm interested
21 in, am I correct that your concept is that the corridor,
22 whatever its width, would all be to the west of the 211th
23 Avenue right-of-way?

24 MEMBER NOLAND: That's correct.

25 MR. BIRNBAUM: Okay. Then we move into the area

1 that I think warrants more discussion. When you then
2 travel from west to east along what is labeled Segment 3,
3 if I understood your comments, the concept is basically
4 you're on the preferred route at that point in time. But
5 what is not clear to me, because this has been our key
6 issue throughout the hearing, is location and corridor
7 width. So let me break it in two pieces.

8 The first question is in what we'll now call the
9 Noland proposals, what is the northern boundary of the
10 corridor in Segment 3? In the preferred route -- and
11 Mr. Campbell will correct me if I'm wrong -- it is the
12 half section line north of Joy Ranch Road. And I don't
13 believe that has a name. If it does, I don't know what it
14 is. But that's the northern boundary of the corridor.

15 Mr. Campbell, is that correct?

16 Mr. DeWitt, perhaps I should ask you.

17 MR. CAMPBELL: Yeah, the original corridor in the
18 application. You're correct, Mr. Birnbaum.

19 MR. BIRNBAUM: Okay. So my first question is, is
20 that your intent for the northern boundary of the Noland
21 line when you say it's going to follow the preferred
22 route?

23 MEMBER NOLAND: Actually, I was staying within
24 that corridor, but it would have been along the Joy Ranch
25 Road north portion.

1 MR. BIRNBAUM: Okay. Then let me start again,
2 because I thought that's where you were going.

3 So you are not starting where the preferred route
4 application corridor starts. Let me rephrase it then.

5 You are starting -- you're running Segment 3
6 along the north -- starting at the northern right-of-way
7 boundary of the Joy Ranch Road right-of-way, and then
8 extending north from that?

9 MEMBER NOLAND: Yes.

10 MR. BIRNBAUM: Okay. Have you considered -- and
11 I guess I shouldn't care about this. Have you considered
12 what the corridor width would be there? APS's revised
13 application or proposal, A-14, has a 500-foot width
14 extending from the north side of Joy Ranch Road to the
15 north.

16 That's obviously something Surprise Grand Vista
17 is prepared to support, and it matches our proposal as
18 long as it starts north of Joy Ranch Road and extends to
19 the north. Am I correct in my understanding there.

20 MEMBER NOLAND: You are. I think that what I was
21 trying to do was accommodate the concerns of the State
22 Land Department as well as the impacts on your particular
23 development that you represent.

24 MR. BIRNBAUM: I appreciate that. And as you
25 described it, it avoids Surprise Grand Vista and does not

1 bisect the state land.

2 MEMBER NOLAND: Yes.

3 MR. BIRNBAUM: Then, finally, we get to
4 Segment 4. And if I understand your concept, Segment 4 is
5 now eliminated completely and we run along State Route 74
6 instead.

7 MEMBER NOLAND: Correct.

8 MR. BIRNBAUM: With those understandings,
9 Mr. Chairman, west of 211th, north of Joy Ranch Road, and
10 below Segment 4, Surprise Grand Vista believes that the
11 Noland proposals are acceptable and good modifications of
12 the proposals that APS has previously made. Thank you.

13 CHMN. FOREMAN: Peoria.

14 MR. BURG: Because Noland-1 and Noland-2 would
15 adopt the Alternative 3-North corridor that the City of
16 Peoria supports, then the City would find that the
17 Noland-1 and 2 is acceptable to us.

18 CHMN. FOREMAN: Vistancia.

19 MR. DRAZEK: I completely echo the comments of
20 the City of Peoria. And to the extent that both proposals
21 use Alternative Route 3-North, Vistancia supports those
22 proposals.

23 CHMN. FOREMAN: Vistancia Village Homeowners.

24 MR. WENE: Yes, we support those changes as well.

25 CHMN. FOREMAN: Diamond Ventures.

1 MR. ROBERTSON: I can echo the sentiments of the
2 City of Peoria, Vistancia, and the Vistancia homeowners.
3 I would like to add to them briefly.

4 Not surprisingly, Diamond Ventures has focused on
5 that aspect of Noland-1 and 2 that relate to the eastern
6 part of the line. We're very appreciative of Committee
7 Member Noland's recommended adoption of the Alternative
8 Route 3-North corridor and her sensitivity to existing
9 land use plans as one of the statutory criteria that are
10 to be considered.

11 And we believe in that regard that with respect
12 to Alternative Route 3-North, it is within the scope of
13 the public notice and the notice of hearing that were
14 issued in this proceeding, it has been well-studied and
15 analyzed in relation to the statutory siting criteria, and
16 that adoption of it would be supported by the evidentiary
17 record.

18 We don't know at this juncture whether the
19 Committee may decide to take a bifurcated approach and
20 adopt certain aspects of corridors at this time and
21 perhaps defer others for further notice and further
22 hearing. In the event that the Committee is disposed to
23 adopt Alternative Route 3-North at this time, we would
24 urge it to do so.

25 And again, we would like to express our thanks to

1 Committee Member Noland for taking the omnibus approach
2 with several alternatives to get your deliberations
3 started. Thank you.

4 CHMN. FOREMAN: Quintero.

5 MR. KAFFER: Well, Mr. Chairman, not
6 surprisingly, Quintero does object to both of those
7 proposals. It objects to them largely because of the
8 inclusion of the Alternative 3-North proposal.

9 First, I would like to address something that the
10 previous speaker just said, whether or not that was within
11 the noticed area. Yesterday, you heard within our closing
12 arguments --

13 CHMN. FOREMAN: Yes, we heard your closing
14 argument and his closing argument, so just very briefly.

15 MR. KAFFER: Very briefly, we think it's outside
16 of what was discussed as a transmission line. The actual
17 application said the line would be south of SR 74, which
18 means it was not part of the public notice. And it also
19 was not studied because there's a corridor being noticed,
20 but the entirety of that corridor was not studied, only
21 125 feet.

22 The second point that I'll make is that in the
23 event that those considerations are not taken into
24 account, what I would ask -- understand that Quintero's
25 primary concern here is with the integrity of that area

1 north of SR 74. Having said that, the secondary concern
2 is a monetary concern and the effect, the visual effect on
3 Quintero. So I would ask Member Noland if she would be
4 opposed to a line with regard to SR 74 that traces the
5 commercial portion of that property on Saddleback Heights,
6 and essentially traces the outline of that property, but
7 prior to it going north, in order to afford some sort of
8 screening opportunity.

9 But finally, I want to point out that the purpose
10 of this Committee is to implement a line. Now, our
11 understanding after reading the RMP is that the BLM --
12 this is against the BLM's wishes. There are proposed
13 plans for that area north of SR 74.

14 And again, should the BLM decide to deny an
15 application for a right-of-way, the situation discussed by
16 Member Noland in terms of dealing with land usages is
17 going to become exacerbated because those communities
18 along Segment 5 will then have homes that you'll be trying
19 to site around, as opposed to what is, in essence, a
20 completely undeveloped area at present.

21 CHMN. FOREMAN: Okay. DLGC.

22 MR. WAKEFIELD: Thank you.

23 With the understanding that in adopting the
24 eastern portion of the line, Alternative 3-North, includes
25 the 500-foot setoff from the centerline of State Route 74,